

# Uintah

## 2001 – A Very Good Year

Uintah County's economy continued to grow during the third and fourth quarters of 2001, as measured by growth in nonagricultural employment. While job growth rates have been robust throughout 2001, there is evidence that demand is beginning to slow as the impact of the national recession takes its toll, and as oil and gas prices have fallen. Still, an expanding oil and gas industry remained the backbone of the county's economic resurgence, accounting for nearly half of the increase in nonagricultural employment. Year-over, third quarter 2001 nonfarm jobs rose 6.9 percent by adding more than 600 jobs, while year-over fourth quarter 2001 showed a 3.9 percent increase in nonfarm jobs. The year-over rate of job growth remains substantially higher in Uintah County than for the state. Statewide, year-over jobs expanded a paltry 0.4 percent in the third quarter of 2001 and declined -0.8 percent in the fourth quarter of 2001.

## Unemployment Remains in Check

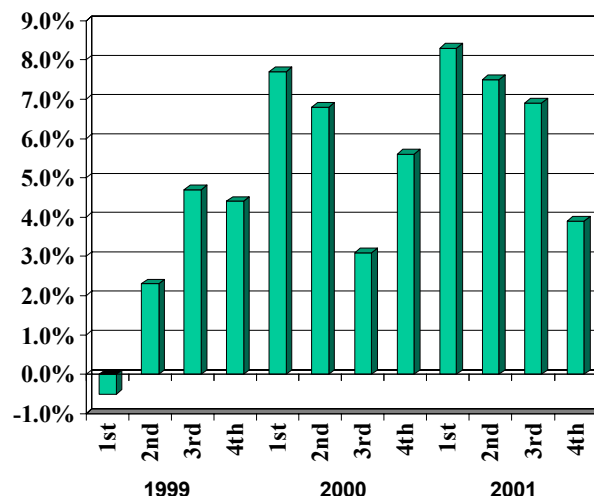
Uintah's hearty employment growth has helped keep unemployment rates down. Over the last eight quarters Uintah's unemployment rate has been below 5.0 percent. Year-over third quarter 2001 unemployment rate fell to 4.3 percent,

*Continued on page 3.*

# County

## July-December 2001

### Uintah County Year-Over Growth in Nonfarm Jobs



## Economic Newsletter

Published July 2002

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Current through December 2002



# Just the Facts

	3rd Quarter			4th Quarter		
	2001	2000	Percent Change	2001	2000	Percent Change
Unemployment Rate	4.3%	4.9%	--	5.0%	4.6%	--
<b>Nonfarm Jobs</b>	<b>9,957</b>	<b>9,317</b>	<b>6.9%</b>	<b>9,964</b>	<b>9,586</b>	<b>3.9%</b>
Total Construction (000s)	\$977.0	\$7,355.5	-86.7%	\$7,146.5	\$5,218.5	36.9%
<b>New Dwelling Unit Permits</b>	<b>5</b>	<b>14</b>	<b>-64.3%</b>	<b>3</b>	<b>38</b>	<b>-92.1%</b>
Taxable Sales (000s)	\$129,281.1	\$110,687.7	16.8%	\$130,062.7	\$127,834.1	1.7%



## Summary

- Uintah County continued to experience solid economic growth in the last two quarters of 2001, though some softening of the market was seen in the fourth quarter.
- Oil and gas mining employment added around 275 jobs during the last six-months of 2001, a 17.5 percent increase.
- Trade jobs increased 5.5 percent as retail and whole-sale employment grew.
- Third quarter unemployment rate remained low at 4.3 percent, but fourth quarter rate weakened, increasing to 5.0 percent.
- Transportation jobs increased as did positions in communications.
- Permit-authorized construction activity fell sharply for new residential and nonresidential projects. Only renovations showed any strength.
- Gross taxable retail sales remained strong during the third quarter of 2001, but slacked off during the fourth quarter of 2001.

while the year-over fourth quarter 2001 rate rose slightly to 5.0 percent. This reflects the impacts of the national recession and the beginnings of slower economic growth in the area.

## Oil and Gas Forges Ahead

Oil and gas mining has been the mainstay of Uintah County's economy in 2001. Year-over third quarter data show mining employment expanding by 26.1 percent has nearly 400 more jobs were added. The decline in oil and gas prices late in 2001 resulted in a slowdown in year-over job growth for mining in the fourth quarter as mining employment rose 9.4 percent, or by 150 jobs. This slower rate of growth is likely to persist primarily due to lower commodity prices. While mining employment showed strength, the other industries in the goods-production sector faltered. Year-over construction positions fell by 3.4 percent during the latter half of 2001, while manufacturing employment declined by 14.2 percent as commercial and industrial machinery manufacturing stumbled.

## Service-Production Benefits As Well

Fueled by more mining jobs and the incomes associated with those jobs, most service-producing industries showed improvements in employment as well. During the last six-months of 2001, trade added around 150 jobs, a 6.3 percent increase over the last six-months of 2000. The largest gains occurred in eating and drinking places. Transportation, communications, and utilities' year-over employment grew by 8.8 percent for the July through December period as trucking and communications jobs expanded. Government employment rose 3.8 percent during the last six-months of 2001. More federal and local government jobs accounted for the growth. Services positions experienced a slight decline in the third quarter, but rebounded in the fourth quarter. Overall, for the last six-months of 2001, services employment increased 1.5 percent. Equipment rental, welding repair, health care, and social services showed increased employment, while lodging and private educational services lost jobs. Employment in the finance, insurance, and real estate industry experienced a sharp 17-percent decline due to fewer property management and real estate positions.

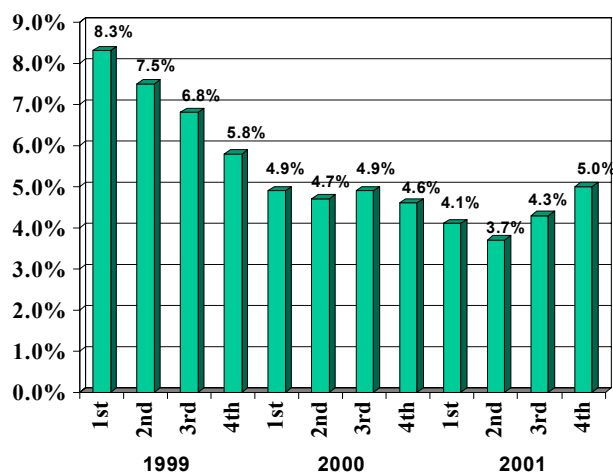
## Construction Collapses

Construction activity, as measured by permits issued, slowed considerably during 2001. For the last six-months of 2001, total construction valuation fell by 35.4 percent; from \$12.6 million during the latter-half of 2000 to \$8.1 million in 2001. Residential construction saw a significant 88.1-percent decline in valuation. New dwelling units authorized fell from 52 in 2000 to 8 in 2001. Year-over nonresidential construction values also plummeted 82.5 percent during the last six-months of 2001. The value of renovation work rose dramatically, thanks largely to the care center addition, valued at \$6.1 million.

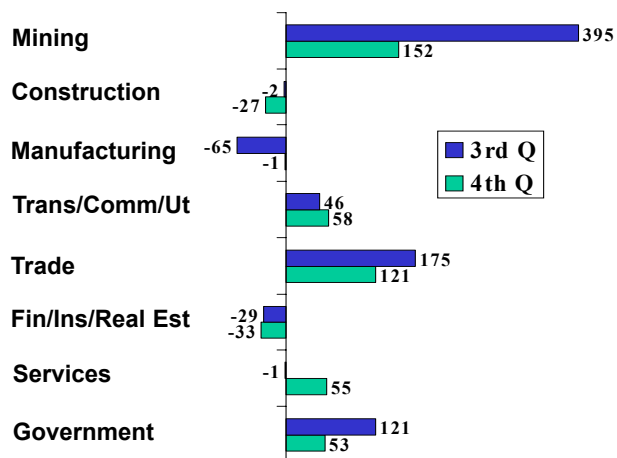
## Sales Have Been Solid

Gross taxable sales during the last six-months of 2001 were 8.7 percent above those collected during the last six-months of 2000. Retail sales, which account for 40.5 percent of total gross taxable sales, rose 13.9 percent as automobile dealers, eating places, general merchandise, furniture, gardening, and apparel stores all showed healthy increases. Only food stores reported a drop in sales. Wholesale trade sales rose 15.2 percent, while mining sales increased 13.6 percent. Services sales slumped 12.8 percent as business services suffered a steep decline. On the brighter side, lodging and repair services sales increased. While the six-months total reflect the health of the economy during the latter part of 2001, the quarterly details reinforce the notion of a slowdown in economic activity. Year-over third quarter

### Uintah County Unemployment Rates



## Uintah County Nonfarm Job Growth: 2000-2001



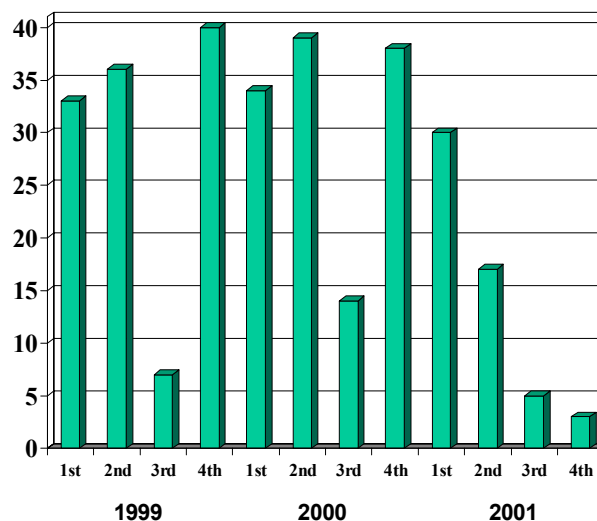
2001 gross taxable sales increased a dramatic 16.8 percent. However, fourth quarter 2001 gross taxable sales only rose a slight 1.7 percent. An example of the slowdown in activity is reflected in mining sales, which increased 22.4 percent in the third quarter of 2001, but rose 4.5 percent during the fourth quarter of 2001.

### A Look Ahead - More Moderate Growth

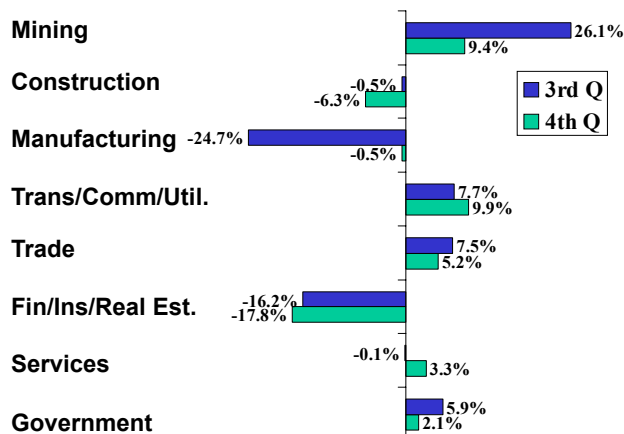
While Uintah County has enjoyed robust economic growth in 2001, the outlook for 2002 is for slower growth. The signs of slower growth began to appear in fourth quarter 2001 and should persist throughout 2002. Lower prices for oil and gas, and the impacts of the national recession are slowing demand for goods and services. A national recovery in the latter half of 2002 will be tepid and will not provide strong stimulus for more robust growth in Utah or its counties. These factors will provide a drag to Uintah's economic growth. However, as long as oil and gas prices stabilize at current levels they should be sufficient to maintain positive stimulus to the county's economy.

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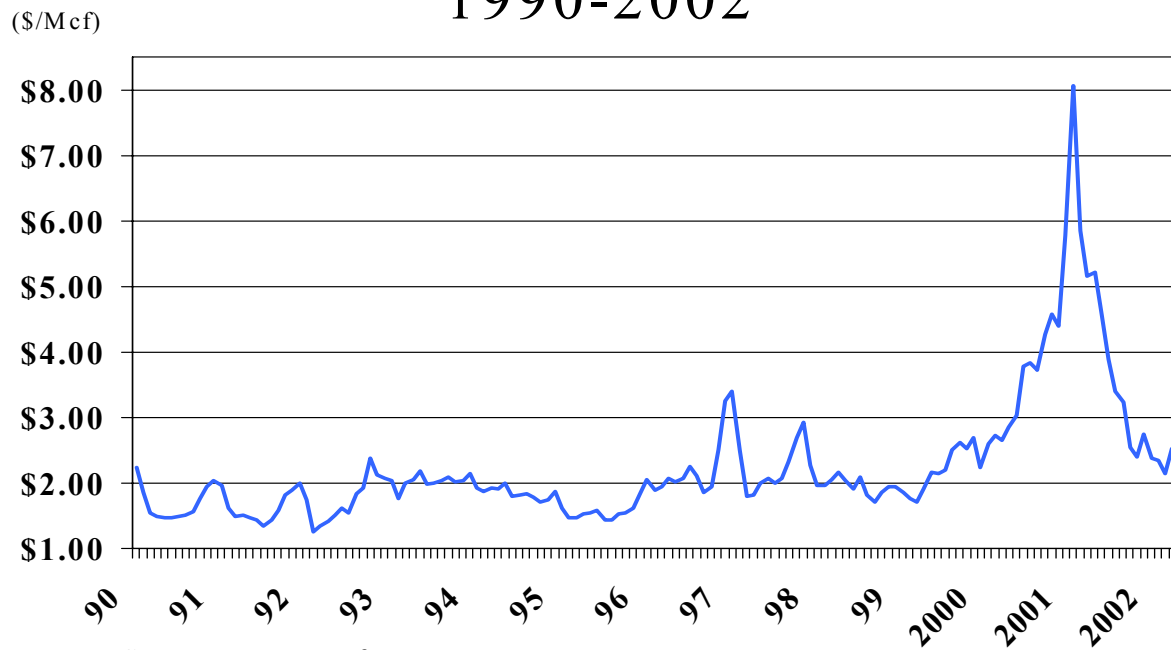
## Uintah County Residential Construction Approvals



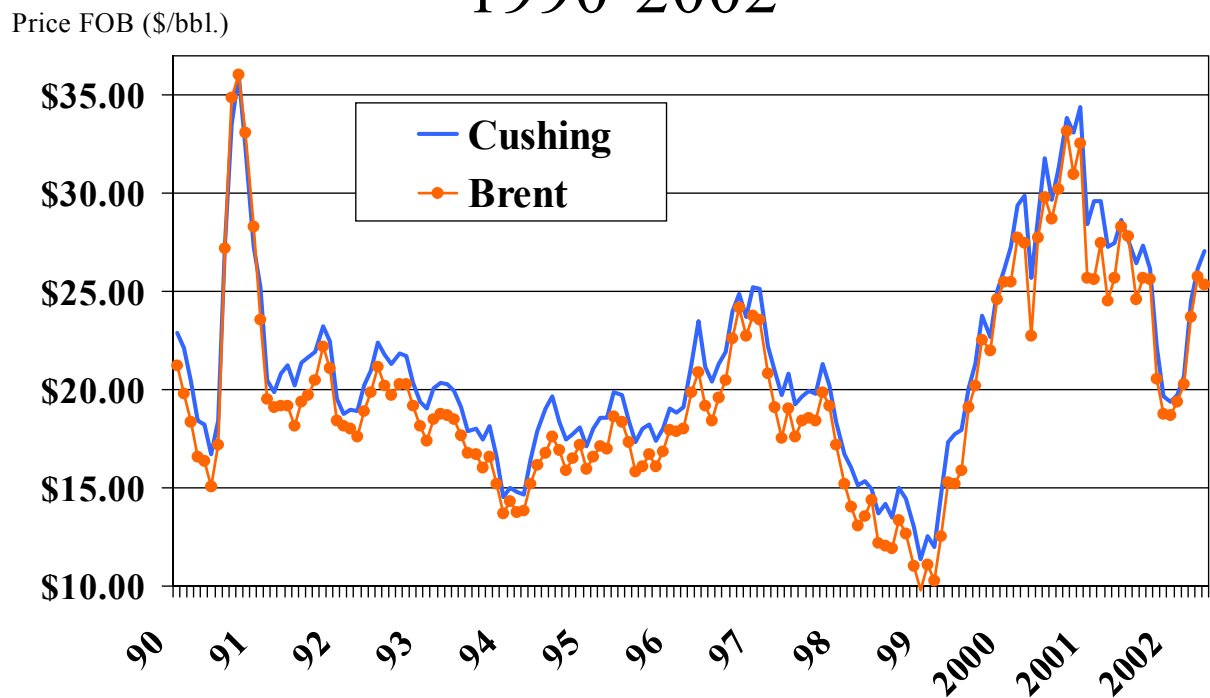
## Uintah County Nonfarm Job Growth: 2000-2001



# Natural Gas Well Head Price 1990-2002



# Spot Oil Prices, Per Barrel 1990-2002



# Economic Events

The Uintah County Commission approved resolutions paving the way for construction of the Uintah Field House of Natural History. The new structure is located at 500 East Main. The Commission approved a \$1.2 million loan from the Community Impact Board, with an additional \$300,000 available to purchase the land. Construction is slated to begin this fall.  
*(Vernal Express, 7/17/2002; Vernal Express, 6/19/2002)*

A pending land exchange between Utah and the Federal government would place 90,000 acres of mineral-rich land under control of the State. The ground includes the Ua and Ub oil shale tracts and scattered lands in southern Uintah County, and would make them more accessible for resource development.  
*(Vernal Express, 7/17/2002)*

The Olene Walker Housing Trust Fund approved a low interest loan for rehabilitation of two affordable housing projects in Vernal. The \$150,000 loan will renovate 28 one-bedroom apartments at Golden Age Manor and Spring Meadow Estates.  
*(Vernal Express, 6/19/2002; Deseret News 6/25/2002)*

Deseret Power and the Utah Municipal Power Agency struck a deal designed to provide stable prices for customers in six Utah cities. The 16-year contract means that Deseret Power will not build an 80-megawatt power plant at its Bonanza Power Plant near Vernal.  
*(Deseret News 6/5/2002)*

Uintah County received \$100,000 from the Community Impact Fund Board for renovations on the Uintah County Municipal Building. The funds will also be used for additional space for the Tri-County Health Department.  
*(Vernal Express, 4/10/2002; Deseret News 4/9/2002)*

Wind River Resource Corporation is proposing to drill up to 150 wells in the North Hill Creek area of southwestern Uintah County. Up to 50 wells per year could be drilled over the next three years. The 150 wells would require the construction of 55 miles of road, 6.5 miles of 8-inch diameter pipeline, 33.5 miles of 6-inch diameter pipeline, and 29.5 miles of 4-inch diameter pipeline. The wells are expected to produce 1.0 to 1.5 Mmscf gas per day per well.  
*(Vernal Express, 3/6/2002)*

Vernal City's budget for infrastructure improvements include \$500,000 for street repairs and upgrades, \$1.6 million for waterlines, and \$1.3 million for sewer lines.  
*(Vernal Express, 2/6/2002)*

Vernal City has selected a builder for the city's Cobble Rock Park project on the Southeast corner of Vernal Avenue and Main. The \$300,000 project includes replicating a cobblestone arch; along with a park are planters, benches, and a small stage. A privately owned micro-brewery will also occupy a nearby building.  
*(Salt Lake Tribune, 1/29/2002)*

Uintah County granted a right-of-way to an oil company to build about eight miles of pipeline designed to extend the life of 17 wells along the county's western border. The company will build a water injection pipeline south of the Neola Highway, which will force oil from the well. This procedure should extend the life of the wells 10 to 15 years.  
*(Salt Lake Tribune, 1/1/2002)*

# LABOR MARKET INDICATORS

## Uintah County

	Third Quarter (Jul-Sep)				Fourth Quarter (Oct-Dec)			
	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
<b>Civilian Labor Force(1)</b>	<b>11,535</b>	<b>10,957</b>	<b>5.3</b>	<b>578</b>	<b>12,102</b>	<b>11,240</b>	<b>7.7</b>	<b>862</b>
Employed	11,035	10,424	5.9	611	11,501	10,718	7.3	783
Unemployed	496	533	-6.9	-37	601	522	15.1	79
<i>Percent of Labor force</i>	<i>4.3</i>	<i>4.9</i>			<i>5.0</i>	<i>4.6</i>		
<b>Total Nonagricultural Jobs(2)</b>	<b>9,957</b>	<b>9,317</b>	<b>6.9</b>	<b>640</b>	<b>9,964</b>	<b>9,586</b>	<b>3.9</b>	<b>378</b>
Goods Production	2,538	2,210	14.8	328	2,366	2,242	5.5	124
Mining	1,910	1,515	26.1	395	1,764	1,612	9.4	152
Contract Construction	430	432	-0.5	-2	401	428	-6.3	-27
Manufacturing	198	263	-24.7	-65	201	202	-0.5	-1
Service Production	7,419	7,107	4.4	312	7,598	7,344	3.5	254
Trans., Comm., Pub. Util.	643	597	7.7	46	643	585	9.9	58
Trade	2,504	2,329	7.5	175	2,467	2,346	5.2	121
<i>Wholesale</i>	<i>383</i>	<i>342</i>	<i>12.0</i>	<i>41</i>	<i>391</i>	<i>354</i>	<i>10.5</i>	<i>37</i>
<i>Retail</i>	<i>2,121</i>	<i>1,987</i>	<i>6.7</i>	<i>134</i>	<i>2,076</i>	<i>1,992</i>	<i>4.2</i>	<i>84</i>
Fin., Ins., & Real Estate	150	179	-16.2	-29	152	185	-17.8	-33
Service	1,937	1,938	-0.1	-1	1,739	1,684	3.3	55
Government	2,185	2,064	5.9	121	2,597	2,544	2.1	53
<i>Federal</i>	<i>476</i>	<i>447</i>	<i>6.5</i>	<i>29</i>	<i>417</i>	<i>384</i>	<i>8.6</i>	<i>33</i>
<i>State</i>	<i>138</i>	<i>138</i>	<i>0.0</i>	<i>0</i>	<i>140</i>	<i>140</i>	<i>0.0</i>	<i>0</i>
<i>Local</i>	<i>1,571</i>	<i>1,479</i>	<i>6.2</i>	<i>92</i>	<i>2,040</i>	<i>2,020</i>	<i>1.0</i>	<i>20</i>
<b>Total Covered Employment(3)</b>	<b>10,014</b>	<b>9,379</b>	<b>6.8</b>	<b>635</b>	<b>10,011</b>	<b>9,635</b>	<b>3.9</b>	<b>376</b>
Covered Agricultural Employment	57	62	-8.1	-5	47	49	-4.1	-2

(1) Seasonally Adjusted.

(2) Detail may not add to total due to rounding.

(3) Employment covered by Unemployment Insurance laws.

p = Preliminary; Detail may not add to total due to rounding.

Source: Utah Dept of Workforce Services.



# Uintah County

## Permit-Authorized Construction

	Third Quarter (July-Sept)			Fourth Quarter (Oct-Dec)			6-month Totals		
	2000	2001	Percent Change	2000	2001	Percent Change	2000	2001	Percent Change
<b>Uintah County</b>									
New Dwelling Units	14	5	-64.3%	38	3	-92.1%	52	8	-84.6%
Single-Family	6	2	-66.7%	21	2	-90.5%	27	4	-85.2%
Multifamily	2	0	-100.0%	0	0	--	2	0	-100.0%
Mobile/Maufactured/Cabins	6	3	-50.0%	17	1	-94.1%	23	4	-82.6%
New Residential (\$000)	1,379.6	435.5	-68.4%	4,371.6	249.9	-94.3%	5,751.2	685.4	-88.1%
New Nonresidential(\$000)	5,779.3	387.5	-93.3%	331.8	684.8	106.4%	6,111.1	1,072.3	-82.5%
Additions/Alterations/Repairs	196.6	154.0	-21.7%	515.1	6,211.8	1105.9%	711.7	6,365.8	794.4%
Residential (\$000)	68.6	57.0	-16.9%	233.9	23.8	-89.8%	302.5	80.8	-73.3%
Nonresidential (\$000)	128.0	97.0	-24.2%	281.2	6,188.0	2100.6%	409.2	6,285.0	1435.9%
<b>Total (\$000)</b>	<b>7,355.5</b>	<b>977.0</b>	<b>-86.7%</b>	<b>5,218.5</b>	<b>7,146.5</b>	<b>36.9%</b>	<b>12,574.0</b>	<b>8,123.5</b>	<b>-35.4%</b>
<b>Vernal</b>									
New Dwelling Units	5	5	0.0%	1	3	200.0%	6	8	33.3%
Single-Family	3	2	-33.3%	0	2	--	3	4	33.3%
Multifamily	2	0	-100.0%	0	0	--	2	0	-100.0%
Mobile/Maufactured/Cabins	0	3	--	1	1	0.0%	1	4	300.0%
New Residential (\$000)	475.9	435.5	-8.5%	51.5	249.9	385.2%	527.4	685.4	30.0%
New Nonresidential(\$000)	5,713.0	387.5	-93.2%	213.4	684.8	220.9%	5,926.4	1,072.3	-81.9%
Additions/Alterations/Repairs	196.6	154.0	-21.7%	363.2	6,211.8	1610.3%	559.8	6,365.8	1037.2%
Residential (\$000)	68.6	57.0	-16.9%	82.0	23.8	-71.0%	150.6	80.8	-46.3%
Nonresidential (\$000)	128.0	97.0	-24.2%	281.2	6,188.0	2100.6%	409.2	6,285.0	1435.9%
<b>Total (\$000)</b>	<b>6,385.5</b>	<b>977.0</b>	<b>-84.7%</b>	<b>628.1</b>	<b>7,146.5</b>	<b>1037.8%</b>	<b>7,013.6</b>	<b>8,123.5</b>	<b>15.8%</b>
<b>Other Uintah County</b>									
New Dwelling Units	9	0	-100.0%	37	0	-100.0%	46	0	-100.0%
Single-Family	3	0	-100.0%	21	0	-100.0%	24	0	-100.0%
Multifamily	0	0	--	0	0	--	0	0	--
Mobile/Maufactured/Cabins	6	0	-100.0%	16	0	-100.0%	22	0	-100.0%
New Residential (\$000)	903.7	0.0	-100.0%	4,320.1	0.0	-100.0%	5,223.8	0.0	-100.0%
New Nonresidential(\$000)	66.3	0.0	-100.0%	118.4	0.0	-100.0%	184.7	0.0	-100.0%
Additions/Alterations/Repairs	0.0	0.0	--	151.9	0.0	-100.0%	151.9	0.0	-100.0%
Residential (\$000)	0.0	0.0	--	151.9	0.0	-100.0%	151.9	0.0	-100.0%
Nonresidential (\$000)	0.0	0.0	--	0.0	0.0	--	0.0	0.0	--
<b>Total (\$000)</b>	<b>970.0</b>	<b>0.0</b>	<b>-100.0%</b>	<b>4,590.4</b>	<b>0.0</b>	<b>-100.0%</b>	<b>5,560.4</b>	<b>0.0</b>	<b>-100.0%</b>

Source: Bureau of Economic and Business Research, University of Utah.

# Utah County

## Gross Taxable Retail Sales

Standard Industrial Classification	3rd Quarter (July - Sept)			4th Quarter (Oct - Dec)		
	2000	2001	% Chng	2000	2001	% Chng
<b>Agriculture, Forestry &amp; Fishing</b>	\$76,567	\$65,671	-14.2	\$60,327	\$71,590	18.7
<b>Mining</b>	16,391,344	20,059,712	22.4	15,910,083	16,631,295	4.5
<b>Construction</b>	621,437	673,366	8.4	662,563	460,472	-30.5
<b>Manufacturing</b>	3,432,119	3,250,987	-5.3	2,658,313	3,245,452	22.1
<b>Transportation</b>	756,280	536,410	-29.1	340,387	317,325	-6.8
<b>Communications</b>	3,671,507	1,185,825	-67.7	3,777,064	5,278,791	39.8
<b>Electric &amp; Gas</b>	3,531,695	3,634,359	2.9	4,561,596	4,704,550	3.1
<b>Total Wholesale Trade Sales</b>	19,017,392	26,367,025	38.6	24,100,876	23,292,046	-3.4
Durable Goods	13,977,008	19,648,417	40.6	17,936,395	17,119,183	-4.6
Nondurable Goods	5,040,384	6,718,608	33.3	6,164,481	6,172,863	0.1
<b>Total Retail Trade Sales</b>	43,999,390	49,660,390	12.9	48,151,462	55,345,143	14.9
Building and Garden Stores	2,641,425	3,516,256	33.1	2,597,702	3,675,490	41.5
General Merchandise Stores	13,548,044	17,521,903	29.3	20,264,366	22,322,015	10.2
Food Stores	10,873,450	8,692,725	-20.1	8,074,354	8,267,095	2.4
Motor Vehicle Dealers	5,960,654	6,455,429	8.3	4,646,119	6,718,606	44.6
Apparel & Accessory Stores	817,035	907,494	11.1	975,683	1,115,825	14.4
Furniture Stores	1,035,162	1,394,079	34.7	1,191,988	1,561,773	31.0
Eating & Drinking	4,192,122	4,544,003	8.4	3,758,971	3,817,317	1.6
Miscellaneous	4,931,498	6,628,501	34.4	6,642,279	7,867,022	18.4
<b>Finance, Insurance, Real Estate</b>	471,003	1,117,448	137.2	501,874	1,192,712	137.7
<b>Total Service Sales</b>	15,967,226	19,011,302	19.1	25,034,009	16,741,909	-33.1
Hotels & Lodging	2,007,312	2,227,742	11.0	787,242	876,081	11.3
Personal	352,367	452,475	28.4	434,764	450,409	3.6
Business	4,864,727	6,431,778	32.2	14,959,360	5,701,727	-61.9
Auto & Misc. Repair	7,289,684	8,721,167	19.6	7,563,441	8,357,556	10.5
Amusement & Recreation	834,542	775,977	-7.0	667,029	666,610	-0.1
Health	121,962	122,329	0.3	123,450	127,784	3.5
Education, Legal, Social	496,632	279,834	-43.7	498,723	561,742	12.6
<b>Public Administration</b>	31,279	30,328	-3.0	1,596	2,524	58.1
<b>Private Motor Vehicle Sales</b>	2,302,609	3,110,222	35.1	1,831,164	2,345,600	28.1
<b>Occasional Retail Sales</b>	89,762	161,175	79.6	-59,786	11,677	-119.5
<b>Nondisclosable or Nonclassifiable</b>	328,098	416,866	27.1	302,609	421,613	39.3
<b>Total (Current Period)</b>	110,687,708	129,281,086	16.8	127,834,137	130,062,699	1.7
Prior Period Payments/Adjust/Refunds	578,941	2,370,735	309.5	480,972	1,624,887	237.8
<b>Total</b>	<b>\$111,266,649</b>	<b>\$131,651,821</b>	<b>18.3</b>	<b>\$128,315,109</b>	<b>\$131,687,586</b>	<b>2.6</b>

Source: Utah State Tax Commission.

# Employers' Corner



Smart business people know where to find the latest, most accurate information available about economic trends, the labor market, cost of living and industry trends. There's county-level economic information too, and it's all FREE on the DWS Economic Information Web site: <http://wi.dws.state.ut.us/>.

# State of Utah

## DEPARTMENT OF WORKFORCE SERVICES

140 East 300 South  
PO Box 45249  
Salt Lake City, UT 84111

ADDRESS SERVICE REQUESTED

03-13EU-0702

Equal Opportunity Employment Program auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128.



# Utah!

*Where ideas connect™*



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***We welcome your comments, questions and feedback!***